

MINUTES
STATE HEALTH FACILITIES COUNCIL
WEDNESDAY, OCTOBER 24, 2018
LOCATION: IOWA LABORATORY FACILITY, CONFERENCE CENTER, ROOM 208
DMACC CAMPUS, ANKENY

9:00 AM Roll Call

MEMBERS PRESENT: H.W. Miller, M.D., Chairperson; Roberta Chambers; Steve Dingle; Brenda Perrin; Connie Schmett

STAFF PRESENT: Becky Swift and Heather Adams, Counsel for the State

I. APPROVAL OF MINUTES OF PREVIOUS MEETING

A motion by Chambers, seconded by Perrin to approve the minutes of October 8, 2018, carried unanimously by voice vote.

II. EXTENSION OF PREVIOUSLY APPROVED PROJECTS

1. Solon Retirement Village, Solon, Johnson County: Addition of 4 nursing facility beds, \$870,000 (*Approved 10/26/2017; First Extension Request*)

Staff report by Becky Swift. The applicant was represented by Adam Freed, Brown Winick Law. The applicant made remarks and answered questions posed by the Council. A motion by Dingle, seconded by Chambers, to grant a six (6) month extension carried 5-0.

2. AP Homes Ames, LLC a to be formed affiliate of Action Pact Holdings, LLC, Ames, Story County: Construction of a 20 bed nursing facility, Ames, Story County, \$3,806,027 (*Approved 10/26/2017; First Extension Request*)

Staff report by Becky Swift. The applicant was represented by Chris Cole, AP Homes Ames, LLC. The applicant made remarks and responded to questions posed by the Council. A motion by Perrin, seconded by Schmett, to grant a 12 month extension carried 3-2. Chambers and Miller voted no.

3. Heartland Care Center, Marcus, Cherokee County: Addition of eight skilled nursing facility beds, \$2,904,991 (*Approved 10/25/2017; First Extension Request*)

Staff report by Becky Swift. The applicant was represented by Ed McIntosh, Dorsey & Whitney. The applicant made remarks and responded to questions posed by the Council. A motion by Perrin, seconded by Dingle, to grant a 12 month extension carried 5-0.

4. Keystone Nursing Care Center, Inc., Keystone, Benton County: Addition of 10 skilled nursing facility beds, \$3,713,913 (*Approved 10/25/2018; First Extension Request*)

Staff report by Becky Swift. The applicant was represented by Ed McIntosh, Dorsey & Whitney. The applicant made remarks and responded to questions posed by the Council. A motion by Chambers, seconded by Schmett, to grant a six (6) month extension carried 5-0.

5. PHS Walnut Ridge, LLC, Clive, Polk County: Addition of a 60-bed skilled nursing facility, \$12,531,500 (*Approved 10/26/2016; Second Extension Request*)

Staff report by Becky Swift. The applicant was represented by Doug Gross, Brown Winick Law; and Allison Bass and Mark Hudson, Presbyterian Homes and Services. The applicant made remarks and responded to questions posed by the Council. A motion by Perrin, seconded by Dingle, to grant a 12 month extension carried 5-0

6. Iowa Methodist Medical Center, Des Moines, Polk County: Addition of 22 inpatient rehabilitation beds, \$4,740,000 (*Approved 10/27/2016; Second Extension Request*)

Staff report by Becky Swift. The applicant was represented by Doug Gross of Brown Winick Law. The applicant made remarks and responded to questions posed by the Council. A motion by Dingle, seconded by Chambers, to grant a 12 month extension carried 5-0.

7. CCRC of West Des Moines, West Des Moines, Dallas County: Construction of a 40-bed nursing facility, \$4,923,000 (*Approved 2/25/2016; Fifth Extension Request*)

Staff report by Becky Swift. The applicant was represented by Gib Wood, Scenic Development. The applicant made remarks and responded to questions posed by the Council. A motion by Schmetz, seconded by Perrin, to grant a 12 month extension carried 5-0.

8. CCRC of Cedar Rapids, LLC, Cedar Rapids, Linn County: Construction of a 40-bed nursing facility, \$4,854,000 (*Approved 10/28/2015; Third Extension Request*)

Staff report by Becky Swift. The applicant was represented by Gib Wood, Scenic Development. The applicant made remarks and responded to questions posed by the Council. A motion by Chamber, seconded by Dingle, to grant a three (3) month extension carried 5-0.

III. PROJECT REVIEW (Cost Overrun)

1. CCRC of Cedar Rapids, Cedar Rapids, Linn County: Re-review of a project approved 10/28/2015 to construct a 40-bed nursing facility at a cost of \$4,854,000. Cost overrun of \$1,501,400, (31% of the approved \$4,854,000)

Staff report by Becky Swift. The applicant was represented by Gib Wood, Scenic Development. The applicant made remarks and answered questions posed by the Council. A motion by Chambers, seconded by Schmetz, to approve the cost overrun carried 5-0.

IV. REQUEST FOR DETERMINATION OF NON-REVIEWABILITY AND THE DEPARTMENT'S RESPONSE

1. UnityPoint Health-Des Moines (Lutheran Hospital) Ankeny Facility – change in ownership and licensure

Staff report by Becky Swift. A motion by Dingle, seconded by Chambers, to affirm the Department's decision carried 5-0.

V. REQUEST FOR REHEARING

1. Mercy Medical Center – Dubuque, Dubuque County: Acquisition of a linear accelerator and CT simulator

A request for rehearing in the matter of the application of Mercy Medical Center - Dubuque for the acquisition of a linear accelerator and CT simulator was submitted to the Department. The Council approved this project on July 25, 2018. A written decision was dated September 7, 2018, and issued on September 18, 2018. A request for rehearing was filed by UnityPoint Health-Finley Hospital on October 8, 2018, within 20 days after the issuance of the final decision.

Mercy Dubuque filed resistance to the request for rehearing on October 22, 2018.

The petitioner, UnityPoint Health – Finley Hospital in Dubuque, was represented by Doug Gross of Brown Winick Law. The applicant, Mercy Medical Center-Dubuque, was represented by Alissa Smith of Dorsey & Whitney.

Due to a recorded prior conflict of interest, Council member Connie Schmett recused herself from the rehearing.

The chairperson granted each party 15 minutes for oral arguments regarding the rehearing request. Granted to the petitioner was a five minute rebuttal.

A motion by Dingle, seconded by Perrin, to approve the rehearing request did not carry. Dingle and Perrin voted yes. Chambers and Miller voted no. In accordance with 641 IAC 202.5(3) a tie vote shall mean no action on the motion.

VI. PROJECT REVIEW

Due to their similarity, the applications from Mercy-Kindred and Encompass Health were batched, meaning the testimony for both was heard prior to voting on each individually.

1. Mercy-Kindred Rehabilitation Hospital, Iowa City, Johnson County – Construction of a 40-bed rehabilitation hospital
\$7,508,963

Staff report by Becky Swift. The applicant was represented by Alissa Smith, Dorsey & Whitney; Donna Flannery and Nikki Nigg, Kindred Healthcare; and Casey Greene, Mercy Iowa City. The applicant made a presentation and answered questions posed by the Council. A motion by Perrin, seconded by Chambers, to enter exhibits presented by the applicant in support of oral testimony into the record carried unanimously by voice vote.

Affected parties in support included Kim Pattee, Dr. Stephen Scheckel, Renee DeJong, Karrie Anderson, and Michael Currier.

There were no affected parties in opposition.

The applicant provided closing remarks.

A motion by Perrin, seconded by Schmett, to Grant a Certificate of Need carried 5-0.

2. Encompass Health Rehabilitation Hospital of Iowa City, LLC, Iowa City, Johnson County – Construction of a 40-bed rehabilitation hospital
\$26,853,953

Staff report by Becky Swift. The applicant was represented by Doug Fulton, Brick Gentry; Troy DeDecker, Encompass Health; Dr. Matthew Howard, UIHC; Geoffery Lauer, Brain Injury Alliance; Edward Stall, DHG; Cheryl Miller, Encompass Health; Dr. Richard Shields, UIHC; Dr. Harold Adams, UIHC (via video); Dr. Andrea Swenson, UIHC; Peggy O'Neil, UIHC. The

applicant made a presentation and responded to questions posed by the Council. A motion by Chambers, seconded by Dingle, to enter exhibits presented by the applicant in support of oral testimony into the record carried unanimously by voice vote.

Affected parties in support included Jennifer Vermeer, UIHC and Dr. Stanley Matthew, St. Luke's Hospital.

Alissa Smith, Dorsey & Whitney, representing Mercy-Kindred Rehabilitation Hospital, appeared as an affected party in opposition.

The applicant provided closing remarks and rebuttal.

A motion by Dingle, seconded by Chambers, to Grant a Certificate of Need carried 3-2. Perrin and Schmett voted no.

3. BVM-PHS Senior Housing, Inc., Dubuque, Dubuque County – Construction of a 60 bed nursing facility
\$19,574,488

Staff report by Becky Swift. The applicant was represented by Fred Dorr, Wasker Dorr, Wimmer, Marcouiller, P.C.; Mark Hudson, PHS; Sr. Margaret Belanger, Carondelet Village (via video) and Alan Stache, Sr. Teri Hadro and Sr. Kate Hendel, BVM. The applicant made a presentation and responded to questions posed by the Council. A motion by Dingle, seconded by Perrin, to enter exhibits presented by the applicant in support of oral testimony into the record carried unanimously by voice vote.

Affected parties in support included Sr. Bernadette McManigal, Sr. Carolyn Farrell, Dr. Michael Ward and Bill Hagstrom; and the following via video: Rev. Msgr. Thomas Toale, Gayle Chavanelle, Martha Avella Powers, Carol Griffen, Jean Quann and Brendan Quann. A motion by Schmett, seconded by Chambers, to enter exhibits presented by the affected parties in support of oral testimony into the record carried unanimously by voice vote.

Affected parties in opposition were represented by Doug Fulton, Brick Gentry; Gretchen Brown, Stonehill Franciscan Services; Doug Johnson, Hawkeye Care Centers; and Char Schlepp, Care Initiatives. The opposition made remarks and answered questions posed by the council.

The applicant provided closing remarks and rebuttal.

A motion by Chambers, seconded by Schmett, to Grant a Certificate of Need carried 3-2. Dingle and Perrin voted no.

Chairperson Miller reminded the Council that the next in-person meeting would be held at this location on February 20 and 21, 2019.

A motion by Perrin, seconded by Schmett, to adjourn carried unanimously by voice vote.

The meeting adjourned at 7:47 PM.